

AMENDED IN SENATE MAY 26, 2006

AMENDED IN SENATE MAY 3, 2006

AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1181

Introduced by Senator Maldonado

(Coauthors: Senators *Alquist*, *Denham*, *Morrow*, and *Romero*)

(Coauthors: Assembly Members *Cogdill*, *Garcia*, *Shirley Horton*, and *Maze*)

January 17, 2006

An act to add Section 66026 to the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 1181, as amended, Maldonado. Public postsecondary education: administrative salaries and compensation.

Existing law, the Donahoe Higher Education Act, sets forth the missions and functions of the 3 segments comprising the state's public postsecondary education system. These segments are the University of California, administered by the Regents of the University of California, the California State University, administered by the Trustees of the California State University, and the California Community Colleges, administered by the Board of Governors of the California Community Colleges. Among other things, the act establishes the California Postsecondary Education Commission as the statewide postsecondary education planning and coordinating agency and advisor to the Legislature and the Governor.

This bill would require the University of California and the California State University, on or before ~~December~~ *March* 1 of each

year, to prepare and submit to the ~~Legislature~~ *chairperson of the Joint Legislative Budget Committee, the chairpersons of the appropriate legislative budget subcommittees, and the Director of Finance* a report on the total compensation of specified executive-level and senior-level administrative positions at both the systemwide and campus levels ~~and, the policies for setting and adjusting compensation and approving transfer agreements, separation agreements, and settlement agreements for all employees, and mechanisms in place to ensure compliance with compensation policies and any sanctions administered for breach of compliance.~~ The bill would require the commission, before July 1, 2007, to ~~develop~~ *report to the chairperson of the Joint Legislative Budget Committee, the chairpersons of the appropriate legislative budget subcommittees, and the Director of Finance on the adequacy of a template developed by a specified task force* for reporting ~~that information, in consultation with~~ *required under the bill.* The bill would authorize the commission to appoint and convene an advisory committee ~~established by the commission,~~ as prescribed, *to assist the commission in evaluating the template.*

The bill would require the Legislative Analyst's Office to report in its analysis of the Budget Bill for the 2007–2008 fiscal year, and thereafter as it determines to be necessary, on the efficacy of the information provided in the annual report.

The bill would apply to the University of California only to the extent the Regents of the University of California act, by resolution, to make it so applicable.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature that the
- 2 California Postsecondary Education Commission continue to
- 3 provide an annual report on executive ~~salaries~~ *compensation*
- 4 using the compensation information the University of California
- 5 and the California State University post on their Internet Web
- 6 sites and data from comparison institutions jointly identified with
- 7 the advisory committee established pursuant to Section 66026 of
- 8 the Education Code.
- 9 SEC. 2. Section 66026 is added to the Education Code, to
- 10 read:

66026. (a) As used in this section, the following terms have the following meanings:

(1) “Benefits” include, but are not necessarily limited to, regular and supplemental health, dental, vision, and life insurance; retirement; vacation; and deferred compensation.

(2) “Cash remuneration” includes, but is not necessarily limited to, bonuses and other cash compensation received in addition to the base salary.

(3) “Perquisites” include, but are not necessarily limited to, automobile allowances, use of cell phones, payment of club dues, provision of educational aid to an employee’s children, employment contracts, entertainment allowances, estate planning assistance, house maintenance services, housing allowances or the use of houses, obtaining a low-interest mortgage loan, provision of a physical examination or other medical care, provision of sabbatical leave, tax planning or preparation services, and provision of tenured professorships.

(4) “Total compensation” includes, but is not necessarily limited to, salary, cash remunerations, benefits, and perquisites, and their respective values.

~~(b) On or before December 1 of each year, using the template developed pursuant to subdivision (d), the University of California and the California State University shall each prepare and submit to the Legislature a report on both of the following:~~

(b) On or before March 1 of each year, using the template recommended in the April 2006 report of the Task Force on UC Compensation, Accountability, and Transparency, the University of California and the California State University shall each prepare and submit to the chairperson of the Joint Legislative Budget Committee, the chairpersons of the appropriate legislative budget subcommittees, and the Director of Finance a report on all of the following:

(1) The total compensation of executive-level and senior-level administrative positions at both the systemwide and campus levels. The report shall include, but is not necessarily limited to, the total compensation for all of the following positions:

~~(A) At the system level of the University of California, the positions of president, vice president, associate vice president, assistant vice president, senior vice president, and chief counsel.~~

~~At the campus level of the University of California, the positions~~

1 of chancellor, chief academic officer, provost, vice provost,
2 executive vice chancellor, associate vice chancellor, assistant
3 vice chancellor, and dean.

4 (A) *At the University of California, the positions of president,*
5 *provost, senior vice president, vice president, associate vice*
6 *president, assistant vice president, university auditor, university*
7 *controller, principal officer of the regents, chancellor, vice*
8 *chancellor, national laboratory director, national laboratory*
9 *deputy director, medical center chief executive officer,*
10 *professional school dean, and the five most highly compensated*
11 *positions at the Office of the President and at each campus,*
12 *medical center, and Department of Energy laboratory of the*
13 *university.*

14 (B) At the system level of the California State University, the
15 positions of chancellor, executive vice chancellor, vice
16 chancellor, associate vice chancellor, assistant vice chancellor,
17 and general counsel. At the campus level of the California State
18 University, the positions of president, vice president, associate
19 vice president, assistant vice president, provost, vice provost, and
20 dean.

21 (2) The policies for setting and adjusting compensation and
22 approving transfer agreements, separation agreements, and
23 settlement agreements for all employees, including, but not
24 limited to, general information on the total value of settlements
25 reached between the institution and an employee.

26 (3) *Mechanisms in place to ensure compliance with*
27 *compensation policies and any sanctions administered for breach*
28 *of compliance.*

29 (c) The University of California and the California State
30 University shall each post the report required by subdivision (b)
31 on its respective Internet website at both the systemwide and
32 campus levels.

33 (d) Before July 1, 2007, the California Postsecondary
34 Education Commission shall ~~develop a template for reporting the~~
35 ~~information described in subdivision (a) in consultation with an~~
36 ~~advisory committee established by that commission. The~~
37 ~~advisory committee shall report to the chairperson of the Joint~~
38 ~~Legislative Budget Committee, the chairpersons of the~~
39 ~~appropriate legislative budget subcommittees, and the Director~~
40 ~~of Finance on the adequacy of the template described in~~

1 *subdivision (b) as a means of reporting the required data. The*
2 *commission also shall make recommendations for improvements.*
3 *The commission may convene an advisory committee to assist the*
4 *commission in evaluating the template. The advisory committee*
5 *may include, but is not necessarily limited to, a representative of*
6 *each of the following:*

- 7 (1) The University of California.
- 8 (2) The California State University.
- 9 (3) The Department of Finance.
- 10 (4) The Legislative Analyst's Office.
- 11 (5) The Association of Independent California Colleges and
- 12 Universities.

13 (e) The Legislative Analyst's Office shall report in its analysis
14 of the 2008 Budget, and thereafter as it determines to be
15 necessary, on the efficacy of the information provided in the
16 annual report.

17 (f) No provision of this section shall apply to the University of
18 California except to the extent that the Regents of the University
19 of California, by appropriate resolution, make that provision
20 applicable.